



Insights

Public Consultation in Saudi Arabia: From Regulatory Insight to Regulatory Influence

For companies operating in Saudi Arabia, public consultations have become an increasingly important feature of the regulatory landscape. Public consultation is a process through which government entities seek views from companies, individuals, and other stakeholders on proposed laws, regulations, policies, and amendments before they are finalized. In Saudi Arabia, many proposed measures are published through the National Competitiveness Center's (NCC) Istitlaa platform, allowing stakeholders to review the proposals, understand their potential implications, and submit comments during a defined consultation period. For companies, this creates both an early opportunity to understand possible regulatory change and a formal channel through which to share practical experience before the relevant framework is approved.

Public consultations can give companies an early indication of where regulation may be heading, sometimes well before new requirements take effect. Even when a company does not intend to submit a response, monitoring consultations can provide time to assess potential impacts, prepare for implementation, and anticipate changes that may affect the business.

But companies sometimes question whether it is worth going a step further and responding. Will the regulator consider the submission? Can comments from individual companies or industries make a difference? And where a proposal reflects a broader policy objective, is there a realistic prospect of influencing how that objective is implemented?

The short answer is **yes**. Saudi Arabia's consultation framework is expressly designed to obtain input from the private sector and other stakeholders before regulatory decisions are finalized. Importantly, Istitlaa's own guidance makes clear that consultation is not a vote. A well-supported comment may have greater impact than a large number of submissions expressing the same view.

The more important question for companies, therefore, is not simply **whether to respond but how to respond effectively**.

Key Considerations

From our experience monitoring regulatory developments and public consultations in Saudi Arabia, several practical points stand out:

- 1. Public consultations provide an early window into upcoming regulatory change.** Consultation drafts can provide important indications of the direction regulators are considering before requirements are finalized. This gives companies an opportunity to assess potential operational, commercial, and compliance implications early, rather than waiting for a final regulation to be issued. Not every consultation proposal will ultimately appear in the final framework, and individual provisions can change materially during the regulatory development process. Nevertheless, companies that monitor consultations consistently are generally better placed to anticipate regulatory change and prepare for different potential outcomes.

2. **Consultation can make a difference, but influence is driven by the quality of the argument.**

Our experience following regulatory developments in Saudi Arabia shows that consultation drafts can evolve significantly before a framework is finalized. The Personal Data Protection Law and its Implementing Regulations, for example, developed through multiple stages before the current framework emerged. A similar pattern can be seen in the Implementing Regulation for Goods Transport by Motorcycles, in which successive drafts reflected substantial changes, including the removal of an initially proposed 1,000-motorcycle minimum fleet requirement and adjustments to several other operational obligations. These examples do not establish that every change resulted from a particular consultation response. They do, however, demonstrate an important point: Consultation takes place while regulatory frameworks are still evolving and invites stakeholders to contribute to that process.

3. **The strongest responses start with the regulator's objective.**

A consultation response will rarely be persuasive simply because a proposed requirement creates additional costs or operational complexity. Regulation frequently imposes costs in pursuit of a broader policy objective. Companies should therefore seek to understand the problem the regulator is trying to solve and explain how a proposed requirement may operate in practice. Istitlaa's guidance encourages respondents to support their views with objective data, practical experience, economic impacts, and other evidence. When a company disagrees with the proposed approach, the stronger proposition is often not simply that the requirement should be removed, but that the same regulatory objective could be achieved in a more effective or proportionate way.

4. **Alternatives are often more valuable than objections.**

Identifying a problem is only part of an effective consultation response. In our experience, respondents who disagree with a proposed measure are encouraged to suggest an alternative and explain how it could achieve the same objective more effectively. Depending on the issue, this might involve different thresholds, risk-based requirements, phased implementation, transition periods, alternative compliance mechanisms, or changes to specific procedural requirements. This gives policymakers practical options to consider without requiring them to move away from the underlying policy objective.

Viewed together, these features suggest that public consultation in Saudi Arabia should not be treated simply as a procedural exercise. It is both a source of early regulatory intelligence and a formal opportunity for companies to bring practical market experience into the regulatory development process.

What does this mean for companies?

Companies operating in Saudi Arabia should consider the following:

- **Monitor consultations even when you do not intend to respond.** Consultation drafts can provide an early indication of regulatory direction and give businesses additional time to assess potential implications and prepare.

- **Engage early.** Once a regulation is finalized, the range of possible outcomes may naturally narrow. Consultation provides an opportunity to raise operational issues while the framework is still under development.
- **Focus on the issues that genuinely matter.** Challenging every provision can dilute the significance of issues with the greatest commercial, operational, or market impact. Companies should distinguish between requirements that are inconvenient and those that may create material unintended consequences.
- **Explain impacts rather than simply asserting them.** Where possible, companies should support their position with Saudi-specific operational data, implementation experience, economic impacts, technical evidence, or relevant international experience. A well-supported submission is likely to be more useful to a regulator than a general expression of support or opposition.
- **Propose workable alternatives.** The objective should not necessarily be to persuade the regulator to abandon what it is seeking to achieve. A stronger response may demonstrate how that objective could be achieved while reducing unintended consequences or implementation challenges.

Looking ahead

Saudi Arabia's regulatory environment continues to evolve alongside the Kingdom's broader economic transformation. Public consultation gives companies a valuable opportunity within that process: earlier visibility into potential regulatory changes and a formal opportunity to contribute before decisions are finalized.

There are, of course, limits. Responding to a consultation does not guarantee that a regulator will accept a recommendation, and companies should not expect every commercial or operational concern to result in a change. Regulators must balance stakeholder views against their mandates, policy objectives, market development, public interests, and the perspectives of other stakeholders.

But the absence of a guaranteed outcome should not be confused with an absence of influence. The consultation framework expressly asks stakeholders to explain their positions, provide evidence of impacts, and propose alternatives. Companies with relevant operational experience can use that opportunity to help regulators understand how proposed requirements are likely to work in practice.

Regulatory engagement should not necessarily end when the consultation period closes. Even when a final law or regulation is issued in a form that creates challenges for businesses, regulators may remain open to understanding implementation realities as the framework is put into practice. Further guidance, implementation arrangements, gradual transitional measures, or future amendments may provide opportunities to address issues that become clearer once a new regime begins operating.

The more important questions, therefore, are broader than whether a company should submit a response to a particular consultation. Are companies monitoring consultations early enough to understand where regulation is heading? Are they providing evidence that helps policymakers understand practical consequences? And when they identify a problem, are they proposing an alternative that still achieves the regulator's objective?

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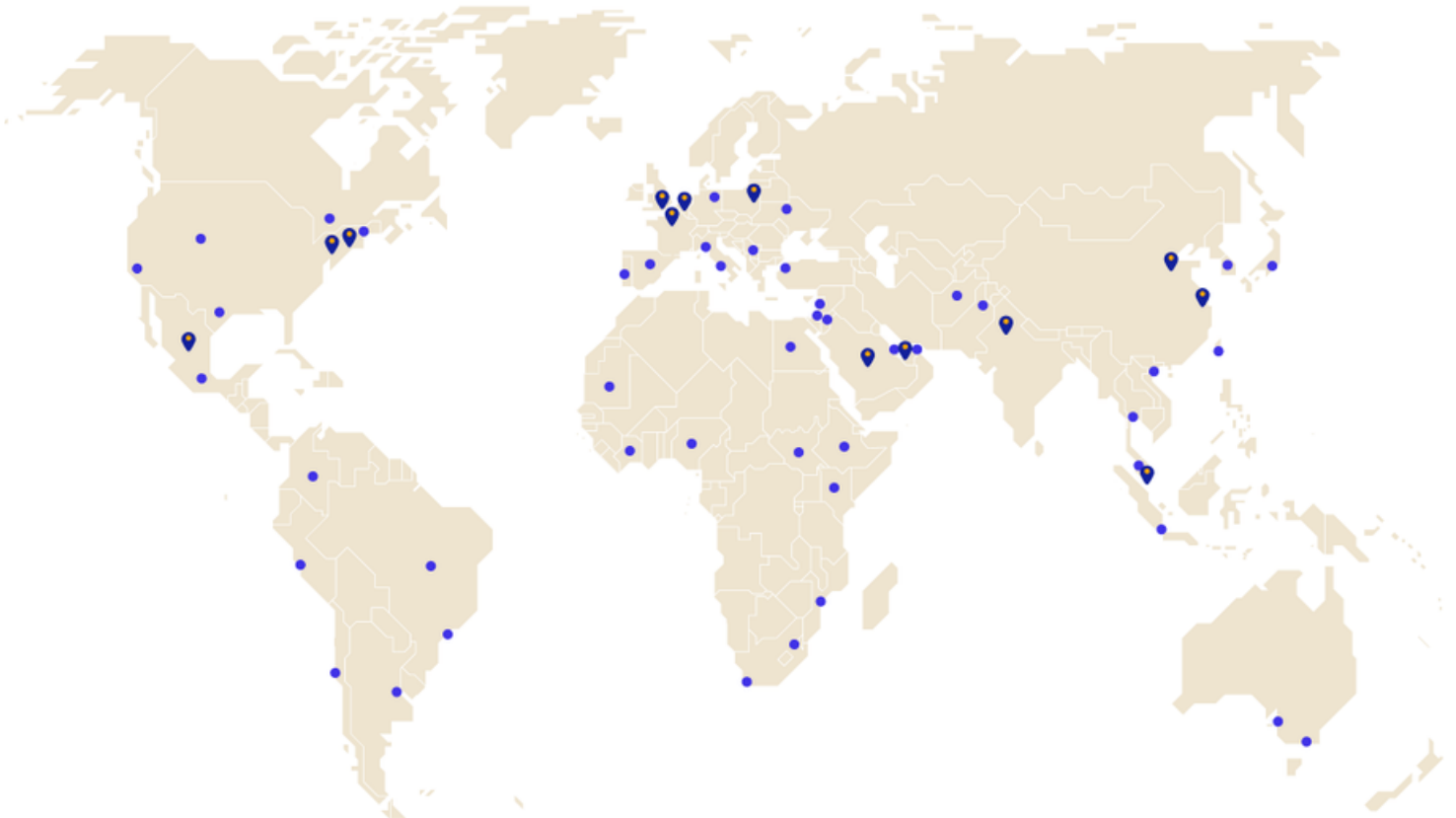
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